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ABSTRACT

The joint efforts of the U.S. Department of Education and the Selective Service System to implement the 1982 amendment to the Military Selective Service Act are reported. This amendment, which was part of the Fiscal Year 1983 Defense Authorization Act, provides that, beginning with the 1983-1984 award year, any student who must register with the Selective Service and fails to do so is ineligible for student financial assistance under programs established by Title IV of the Higher Education Act of 1965. A student who is required to register must file a statement with the college he attends, certifying that he is in compliance with the registration requirements. To minimize the burden on college staff to determine whether a student is exempt from registration, it is proposed that all Title IV aid recipients submit to the college the Statement of Educational Purpose/Registration Compliance, as well as a copy of his Registration Acknowledgement Letter provided by the Selective Service System. A temporary verification alternative is permitted for students who have registered but do not yet have documentation from Selective Service. (SW)

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STATEMENT OF

DR. EDWARD ELMENDORF
ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION
U.S. DEPARTMENT OF EDUCATION

Before the

HOUSE SUBCOMMITTEE ON POSTSECONDARY EDUCATION
COMMITTEE ON EDUCATION AND LABOR

Selective Service/Receipt of Title IV Funds

February 23, 1983

U.S. DEPARTMENT OF EDUCATION
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HE 016 083

Dr. Elmendorf is accompanied by:

Mr. James Moore, Director, Student Financial Assistance Programs

Mr. Chairman and members of the Subcomittee:

I appreciate the opportunity to testify on the joint efforts of the Department of Education and the Selective Service System to implement the amendment to the Military Selective Service Act passed by the Congress in the Fall of 1982 as part of the Fiscal Year 1983 Defense Authorization Act (P.L. 97-252). The amendment provides that, beginning with the 1983-1984 award year, any student who must register with Selective Service and fails to do so is ineligible for student financial assistance under programs established by title IV of the Higher Education Act of 1965, as amended. These programs include the Pell Grant, Supplemental Educational Opportunity Grant (SEOG), College Work-Study (CW-S), National Direct Student Loan (NDSL), Guaranteed Student Loan (GSL), Auxiliary Loan (PLUS), and State Student Incentive Grant (SSIG) programs.

Currently, men who are at least 18 years old, who were born after December 31, 1959, and who are not currently on active duty with the armed forces must be registered with the Selective Service. This group includes citizens and non-citizens eligible for Federal student aid except permanent residents of the Trust Territory of the Pacific Islands and the Northern Mariana Islands. According to the Selective Service, if they are within the age category, members of the Reserves and National Guard and men who have been discharged from military service must be registered.

President Reagan signed the Defense Authorization Act on September 8, 1982. With the concurrence of Secretary Bell, I established a task force composed of student financial aid specialists from the Office of Postsecondary Education, the Office of General Counsel, and the Office of Planning, Budget and Evaluation. At my request, General Turnage, Director of the Selective Service

System, appointed several of his senior managers to the task force.

The task force began its work on September 17, 1982. The Conference Committee Report accompanying P.L. 97-252 guided the task force throughout its deliberations in developing the proposed rules to implement the admendment. On January 27, 1983, the Department published a Notice of Proposed Rulemaking implementing this new eligibility criterion for student qualification for title IV student assistance.

The Conference Committee Report stated that the intention of Congress with regard to the amendment was that "such regulations and procedures necessary to implement this provision minimize the administrative burden on colleges and universities and the delay in processing aid applications". Thus, in developing the proposed regulations, the Department worked very closely not only with the Selective Service System, but members of the financial aid community were consulted to try to ensure implementation in the most effective and least burdensome manner possible.

The amendment specifically requires that, in order to receive title IV aid, a student who is required to register with Selective Service must file a statement with the institution he attends, certifying that he is in compliance with the registration requirements. A practical problem exists in implementing the Statement of Registration Compliance requirement. That is the difficulty in identifying which students are required to be registered, especially since many institutions do not have a record of all students' gender, date of birth, or military status. To minimize the burden of institutional staff of determining whether a student is exempt from registration under one of the five exemption categories, the Department of Education and the Selective Service

system proposed that all title IV aid recipients complete and submit to the institution the Statement of Educational Purpose/Registration Compliance in which the student certifies either the reason why he or she is not required to be registered, or that he is registered. The five categories providing reason for non-registration include: 1) female; 2) member of the armed services on active duty; 3) born prior to January 1, 1960; 4) not yet 18 years of age; and 5) permanent resident of the Trust Territory of the Pacific Islands or the Northern Mariana Islands.

Following the recommendation of the financial aid community, the regulations propose therefore that in addition to the Statement of Educational Purpose, which is already required of all title IV aid recipients by section 484 of the Higher Education Act, the student must file a Statement of Registration Compliance. For the convenience of the institution and the student, the current Statement of Educational Purpose is simply expanded to include the new Statement of Registration Compliance and it will appear on the 1983-84 Student Aid Report. This method of obtaining the required certification was determined to be the least disruptive and burdensome. The proposed language for this new combined Statement was sent to participating colleges and schools in January of this year for their early review.

The amendment also required the Secretary, in agreement with the Director of Selective Service, to prescribe procedures for verifying students' Statements of Registration Compliance. A number of verification methods were explored during the development of the proposed regulations. A comparison of applicant records and Selective Service registrant records was infeasible, especially in light of the requirement for implementation for the 1983-1984 award year. The Department maintains no central record system for all title IV applicants, and thus the development of a method for matching

such data would be extremely costly, time-consuming, and very expensive.

A comparison by Selective Service of its registrant data with all title IV applicant data provided by the institutions was also considered. Under such a method, the institution would have to collect, extract and forward to the Selective Service the necessary applicant data to verify the registration status of its students. This method would not only be extraordinarily burdensome and costly to institutions but it would cause extensive delays in the processing of awards until registration compliance could be verified and confirmed to the institutions by the Selective Service.

To avoid such excessive administrative burden, delays and intrusion, the Department proposed that the primary responsibility for verifying registration compliance rest with the student himself at the institutional level. Any student who certifies that he is registered on his Statement of Registration Compliance would be required to submit a copy of his Registration Acknowledgement Letter to the institution as proof of eligibility before it could disburse aid or certify the GSL and PLUS loan applications and the Pell Grant Alternate Disbursement System Request for Payment.

The Selective Service System currently provides registrants with their original Registration Acknowledgement Letters within approximately 30 days of their registering. Replacement copies of the Acknowledgement Letter are provided within two weeks of their request to any registrant who does not have his original Acknowledgement Letter. The Department and the Selective Service System have both begun to actively publicize the requirement for proof of of registration to counselors and financial aid administrators at secondary and postsecondary institutions. Institutions have been provided with a sample form on which a registrant, who does not have his original Acknowledgement

letter may request a replacement. In the initial phase-in award year (1983-84), documentation have to be submitted by all students who certify that they are registered. Once that documentation was part of those students' records, the number of students certifying that they were registered would be drastically reduced in subsequent years.

The Department and the Selective Service System recognize the possibility that in limited circumstances some students may not receive their Acknowledgement Letter from Selective Service quickly enough to verify their registration compliance. In order to prevent delays in the award process, the regulations propose a temporary verification alternative for students who have registered but do not yet have documentation from Selective Service. These students will be able to submit a notarized affidavit to the institution in which they affirm that they in fact have registered and will submit the required Acknowledgment letter documentation within 120 days. This alternative will be available to all registrants who turned 18 within 90 days of the beginning of the award year and have not received their original Acknowledgement Letter from Selective Service. At the option of the institution, it would also be available to any other registrant who does not have his original Acknowledgement Letter and who can demonstrate to the institution that he has requested a replacement copy from Selective Service. Students may certify and verify their registration compliance by either submitting a copy of the Acknowledgement letter, or through this affidavit procedure at any time before the end of the payment period or 30 days after receiving notice, whichever is later.

If an affidavit is filed as temporary verification, the institution would then disburse title IV funds for one payment period and, for any student who had just turned 18, certify the institutional portion of the Guaranteed

student loan or PLUS application. Only that group of 18 year old students who have not yet received their Letters will receive the benefit of a Guaranteed Student Loan or PLUS Loan under temporary verification. Any title IV funds received by a student who does not submit his Letter within the 120 days of filing the affidavit would be considered an overpayment under the GSL and PLUS Programs. Students would lose the right to the payment of interest benefits on the loan. Although Section 428(a)(3)(A) of the Higher Education Act provides that the holder of a loan (i.e., the lender) to which interest payments are required to be made has a contractual right to receive these payments, no such contractual right exists when interest payments are not required to be made on behalf of a borrower. Payments made on behalf of borrowers who have failed to meet eligibility requirements for a GSL are prohibited. However, lenders would assume no liability because payment of principal and interest would continue to be insured.

I trust I have addressed the essence of the questions you raised in your letter of invitation. I shall be happy to answer any further questions you may have at this time.